

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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ADP BULLETIN

Title: Proposed FY 1998-99 Drug/Medi-Cal Reimbursement Rates		Issue Date: 05-26-98 Expiration Date: None	Issue No. 98-27
Deputy Director Approval [Original Signed By] <i>GLORIA J. MERK, II</i> <i>Program Operations Division</i>	Function: [] Information Management [] Quality Assurance [] Service Delivery [x] Fiscal [] Administration	Supersedes Bulletin/ADP Letter No.	

PURPOSE

The purpose of this bulletin is to transmit the proposed FY 1998-99 reimbursement rates for Drug/Medi-Cal (D/MC) services. These rates will be published in emergency regulations in Section 51516.1 of Title 22, California Code of Regulations and will replace those currently in Title 22. The Department anticipates a July 1, 1998 effective date for these new rates.

DISCUSSION

Effective July 1, 1997, changes to the Title 22 regulations were made to implement AB 2071 and establish new reimbursement rates for D/MC services. Statutory authorities require the Department to update these rates every year for the period July 1 to June 30. Exhibit 1 includes the proposed reimbursement rates for FY 1998-99, which reflect input from the Rate Development Work Group and the Department's analysis of costs and utilization of the various D/MC services.

Please note that there are some significant changes to the method of reimbursement for Narcotic Treatment Program (NTP) services. Specifically, in FY 1997-98 one rate was established for methadone and levoalphacetylmethadol (LAAM) services. For FY 1998-99, the Department is proposing to establish two separate reimbursement rates for methadone and LAAM services. Establishing two separate reimbursement rates will ensure providers are reimbursed for actual medication costs.

Reimbursement for methadone is based on each day for which a beneficiary receives a dose, including take homes, for up to 365 days a year. Reimbursement for LAAM will be based upon each dose that a beneficiary receives, up to a maximum of 182 per year.



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While the proposed NTP individual counseling rate will increase, the group counseling rate remains the same.

The Department anticipates that the FY 1998-99 rates will be published as emergency regulations to be effective on July 1, 1998. The proposed regulations package must be reviewed and approved by the Department of Health Services (DHS), the Health and Welfare Agency, the Department of Finance, and the Office of Administrative Law prior to publication. After these emergency regulations are published, the public has a 45-day period to provide comments to DHS. Responses to the comments will be prepared and sent to those individuals or organizations submitting comments. After another comment period, the regulations will be issued in their final form.

The cost containment measures that have been implemented over the past three fiscal years will continue to be applied. As such, the D/MC Program is stabilizing; and it has been estimated that the statewide State General Fund expenditure level will remain at \$31.7 million.

REFERENCES

- Section 51516.1, Title 22, California Code of Regulations
- Section 14021.5, Welfare and Institutions Code
- Section 11758.42, Health and Safety Code

HISTORY

Section 51516.1 of Title 22, California Code of Regulations, effective July 1, 1997

QUESTIONS/MAINTENANCE

Questions concerning the NTP rate should be referred to the Fiscal Management Branch at (916) 323-2043. Questions regarding the proposed regulations may be directed to the Program Accountability Branch at (____) ____-____.

EXHIBITS

[Drug/Medi-Cal Rates](#)

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